

KEYSTONE RANCH ASSOCIATION, INC.
ANNUAL MEETING OF THE MEMBERSHIP
July 2, 2024

I. Call Meeting to Order

The Keystone Ranch Association, Inc. Annual Meeting of the Membership was called to order at 10:09 a.m. in the Lord of the Mountains meeting room and via videoconference (*).

II. Introductions

Board Members Present Were:

John Pringle, President, 153 Gentian	Ephraim Starr, Vice President, 314 Penstemon
Chris Ornes, Treasurer, 1 Kinnikinnik	Kris Ciccolo, Secretary, 1631 Keystone Ranch
Vince Donahue, Director, 44 Paintbrush	

Homeowners Participating (*via videoconference) Were:

Ed Balcerzak, 130 Kinnikinnik*	Jim Brown, 205 Clover
Mia Casabona, 900 Keystone Ranch	Tim Chisholm, 2260 Keystone Ranch
David Ciccolo, 1631 Keystone Ranch	Stacy & Diane Crumley, 204 Clover
Mildred Farmer, 1921 Keystone Ranch*	William Fuller, 203 Gentian*
Pam & Greg Gardner, 142 Penstemon	Marianne Hallinan, 114 Yarrow
Paul Hilton, 94 Clover	Jean Hurteau, 84 Clover*
Jayn Karl, 77 Phlox	James Minnick, 2153 Keystone Ranch*
Bette Morris, 2459 Keystone Ranch*	Daniel & Barbara Munyon, 112 Penstemon
Robert & Joan Nycum, 1293 Keystone Ranch*	David & Mary Oetting, 83 Gentian
CJ Ornes, 1 Kinnikinnik	Michael & Candace Orth, 50 Kinnikinnik*
Gerardo & Silvia Perez, 243 Gentian	Mike & Linda Polarek, 100 Kinnikinnik
Joanne Quinn, 162 Penstemon*	Elizabeth Rogowski, 161 Kinnikinnik
Richard, Kelly & Kathy Schlosberg, 125 Clover	Diane & Bob Scott, 182 Penstemon
Neil Sherman, 283 Gentian	Paul Stashick, 150 Lichen
Donna Starr, 314 Penstemon*	Jeremy Straight, 48 Saxifrage*
Sherry & Wilson Strong, 2023 Keystone Ranch	Bill Swagman, 74 Yarrow
Leslie Wiese, 1649 Keystone Ranch	Larry & Sue Wood, 293 Gentian

Guests at the meeting were: Attorney Seth Murphy, Leon Levy, Scott Bender, Keith Jensen and Molly Huntley from the East Ranch, Ken Riley, Carol Kirk and John Crone from the Town of Keystone, Tim Huiting from the KOA, and Brian Bruellman, Robin Tenceck and Stefan O'Rourke from Vail Resorts.

Representing Basic Property Management (BPM) were Gary Nicholds, Eric Nicholds and Jason Blarjeske. Erika Krainz of Summit Management Resources was recording secretary.

With membership represented in person or by proxy, a quorum was confirmed.

III. Meeting Protocol

Kris Ciccolo reviewed the protocol for conduct of the meeting.

IV. Approve Last Year's Meeting Minutes

Motion: Ephraim Starr moved to approve the minutes of the July 1, 2023 Homeowner Meeting as presented. David Oetting seconded and the motion carried.

V. Real Estate Report

John Pringle reported that as of July 2, 2024, there was one listing in Keystone Ranch and two in West Ranch. One home is under contract in West Ranch. One East Ranch home is for sale and four in West Ranch. There are nine single family homes listed in all of Keystone, equating to an inventory of five months. There are currently 138 total properties listed in Keystone, equating to 3.7% of total inventory. Year-to-date residential sales in Keystone are comparable to last year and are up 1.8% for all of Summit County.

There are three new development projects in Keystone. Kindred will feature 95 residential units with 71 under contract. The Alcove Townhomes will be a 24-unit development in the Gold Bug lot and all have presold, with the most recent sale being \$4.5 million for a three bedroom unit. Brightwood Lofts, consisting of 54 residential condominiums in two buildings with one to three bedroom units, is 75% sold in the first building and construction is underway on the second building. Camber Townhomes on Montezuma Road will be 14 units with 1,400 sq.ft. each.

VI. Owner Education

Ken Riley said there are seven Town Council members from all areas of Keystone, except the Ranch. They will be transitioning all County services to the Town in the first year and putting basic infrastructure in place. Next year, the focus will shift to strategic planning looking out 10 – 20 years, short-term rental licensing and rules. They hope to put together a stakeholder groups of owners, Associations, short-term rental unit owners and management companies to develop rules. They will work on a comprehensive plan with rules for future development and zoning. Most of the Town staff has been hired. They are interviewing for the Town Planner and Public Works Director positions. The Town is renting 1/3 of the Keystone Center for Town Hall. In terms of finances, revenue has been higher and expenses lower than projected. Town Council Meetings are held the second and fourth Tuesdays of each month and can be joined online. The Town website is info@keystoneco.gov. Planning and Zoning and Roads and Bridges have transitioned to the Town and the Town can provide input for CDOT. The next step will be to evaluate the non-private road and determine which ones the Town will take on for maintenance. Contracts are in place for plowing, road maintenance and the Sheriff services. The Town has assumed maintenance responsibility for regional trail and has oversight of Vail Resorts workforce housing. The liquor and tobacco licenses have been transferred to the Town. A Short-Term Rental (STR) Licensing Ordinance has been adopted based on the existing rules and preparations are underway for renewal of 2,000 STR licenses on September 30th. The Council is focused on enhanced enforcement and changed contractors for the 24 hour hotline. For next year, they will bring together all stakeholders to review STR rules to meet community needs. The Town has a good working relationship with

Vail Resorts. They are discussing annexation of Vail Resorts properties that are not currently included in the Town. They are considering a 2% lodging tax ballot issue for November and establishing Advisory Commissions. There will be future studies for Roads and Bridges, Trails and Open Space and the Wetlands. They will start working on a Strategic Plan in 2025.

John Crone stressed the importance of owner involvement in committees and advisory groups. There will be a focus on road maintenance and speed control on Highway 6. STRs are a very important part of the community and there is no plan to limit them, but they need to make sure rental owners are good neighbors. A Public Works Director will be hired in the next few weeks. Workforce housing very important. An inventory of all trails will be conducted. The Mountain House base area needs to be cleaned up. The main electrical service line runs under Soda Ridge Road. It line failed in November and is being replaced entirely with projected completion in mid-August. They are looking at introducing micro-transit in some Keystone neighborhoods. There is no consideration of additional taxation of homeowners at this time but the previous lodging tax may be reinstated. There is currently a 6.35% tax on short term rentals and hotel lodging right now compared to 18% in Silverthorne and Dillon, 16% in Frisco and 13% in Breckenridge.

VII. Financial Report

As of May 31, 2024, the Operating Cash balance was \$19,000 and the Reserve Cash balance was \$530,079 for a total of \$1,549,950. There was an Operating surplus of \$8,202 and a Reserve surplus of \$35,364 for an overall surplus of \$43,567. The only significant overage was in snow plowing.

There are five laddered CDs totaling \$980,000. All mature in 2025 and are earning 4 – 5.45% interest. There are two money market funds at Wells Fargo with a \$455,000 balance earning 5.37% but the rate fluctuates daily. There are funds in a Fidelity money market that invests in US Treasuries.

Paul Stashick asked about projected ending Reserve balance after the water project. The current balance is \$67,000 and \$75/home/month is being collected for the project. It is separate from the Water Reserve, which has a balance of \$674,000 earmarked for future repairs.

VIII. Old Business

A. *Crack Fill/Seal Coat*

Crack filling is done annually. A-Peak will be on site tomorrow. They have been delayed by rain.

B. *Rental and Commercial Uses Amendment in Effect*

The second amendment to the Declarations is in effect. John Pringle thanked rental owners who have registered their rental guests on the website.

C. *Lawsuit Update*

Seth Murphy reported that the case is scheduled for trial October 21st for three or four days. They are still in the middle of discovery and some depositions are yet to be

completed. Expert witness info is being exchanged. The Board remains confident in its position.

IX. New Business

A. *Reserve Studies*

The Association is responsible for common area trees, noxious weed spraying, the guard shack and private roads. Kumar & Associates has been retained to update the HP Geotech report. The Board interacts with Vail Resorts regarding the pool and water system. John Pringle received an updated Reserve Study for the pool and a schedule of expenses for consideration by all three Ranches. There are no immediate needs aside from a new cover for \$5,000. Vail Resorts is not looking at any significant changes in the near future. Pool keys can be picked up at the KRPM Administrative office in Argentine building or owners can call the office at 970-496-4155. There was a request to thin the trees by the entrance to Clover Lane to provide better traffic visibility.

B. *Metering*

Vail Resorts owns the water system and water rights. In 2016, well repairs were made including new clay valves. In 2019, the storage tank top cap was replaced and piping was repaired. In 2022, a backup well was drilled and capped. This year, water meters are being installed in The Keystone Ranch and East Ranch homes and Vail owned restaurant, golf maintenance, swimming pool and restrooms. Vail Resorts hired Tetrattech Engineering ten years ago and the Keystone Ranch and East Ranch had the study validated by another engineering firm, JVA Engineering. Both recommended metering, as did the District Water Commissioner. Metering will provide more equitable billing and immediate detection of leaks. Vail Resorts had hoped to implement metering last year but ran into supply chain issues. Robin Tencick said the rate for water will be similar to other Summit County communities on wells. About 1/3 of the meter installations have been completed.

John Pringle noted that the Keystone Ranch Oversight Committee sent emails to some but not all owners. Paul Stashick clarified that he did not establish the committee and it is not his website. The website states an unqualified contractor will install water meters. Numerous owners present at the meeting said they had their water meters installed and had an excellent experience. The plumber is professional, insured and bonded. The website also claims Vail Resorts is in talks with the East Dillon Water District (EDWD) to take over operation/ownership of the system. This is not the case. The Board explored this option but EDWD has no incentive to take it over. The website also says money is being gifted to Vail Resorts so they can sell the system at a profit. This is not true.

Leslie Wiese asked if the individual responsible for the website would like to speak to this issue. David Oetting said he was offended that the owner mailing list, which was supposed to be private, was accessed. Nobody at the meeting took responsibility. David suggested part time Security might be needed.

Owner questions and comments addressed the following:

1. Diane Crumley – How will water use be charged? Stefan O’Rourke said there is usually a base rate with extra charges for additional usage.
2. Jim Brown – What is the purpose of the hole at his property with a blue stick? It is for the curb stop.
3. Paul Stashick – Many homes already have existing water meters. Robin Tencick mentioned that the old meters are not compatible with remote monitoring technology.

The data will be collected for the next year and billing will start after that point. There will be itemized billing that shows actual usage. Shut off valves will be installed in any homes that do not have them. The Keystone Ranch Water Company will issue the billing and the \$40 fee will come off the owner bills. They will continue to collect for the Water Reserve.

C. *Covenant Violations*

The Board is sensitive to covenant violations.

X. Expiring Board Terms/Vote

The terms of Chris Ornes, Ephraim Starr and Vince Donahue expired. Chris Ornes and Ephraim Starr were running for re-election and Paul Hilton and Paul Stashick submitted self-nominations prior to the meeting. All candidates provided biographical information.

William Fuller objected to conducting the election at the meeting. He stated the election must be conducted by secret ballot if it is contested. Seth Murphy confirmed that it is a contested election and must be conducted by secret ballot. The process that will be followed today complies with the requirements. Email ballots will be accepted until 3:30 p.m. The ballots being handed out today are unmarked. The email ballots will be separated before they are counted, which also complies with the law.

Gary Nicholds asked all Zoom participants who submitted proxies if they would like their ballot voted by their proxy and all confirmed that option.

Jayne Karl, Diane Crumley and Marianne Hallinan volunteered to count ballots this afternoon at 3:30 p.m. BPM will email the results to all owners.

XI. Social Events

The all Ranch picnic will be tomorrow afternoon from 5:00 – 7:00 p.m. The homeowner golf event will be July 4th.

XII. Adjournment

The meeting was adjourned at 12:56 p.m.

Approved By: _____
Board Member Signature

Date: _____